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**FISCAL IMPACT STATEMENT**

**LS 6921**

**BILL NUMBER:** SB 440

**NOTE PREPARED:** Dec 28, 2010

**BILL AMENDED:**

**SUBJECT:** Public safety LOIT distributions.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that a fire department, volunteer fire department, or emergency medical services (EMS) provider that provides fire protection or EMS within the county and is operated by or serves a political subdivision that is not entitled to receive a distribution of the public safety LOIT tax revenue may apply to the county council (in a CAGIT county) or the county income tax council (in a COIT county) for a distribution of the tax revenue.

The bill provides that the county council or county income tax council may adopt a resolution requiring that one or more of the applicants shall receive a specified amount of the public safety LOIT tax revenue. It requires that any public safety LOIT tax revenue distributed in this manner shall be distributed before the remainder of the tax revenue is distributed to the county and to the municipalities in the county.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, counties may adopt a public safety LOIT if they have also adopted either the property tax freeze LOIT or the property tax credit LOIT. The maximum income tax rate is 0.50% in Marion County and 0.25% in all other counties. Revenue from the public safety LOIT is distributed to the county taxing unit and municipalities using the county's normal LOIT distribution basis.

Twenty counties have imposed a public safety LOIT in 2011 with a total certified distribution of \$93.1 M.

Under this provision, a fire department, volunteer fire department, or EMS provider that provides services within the county and is operated by or serves a taxing unit that does not receive a public safety LOIT distribution may apply to the county council or county income tax council for a distribution from the public safety LOIT. If approved, the council may adopt a resolution that specifies the amount to be distributed to the applicant. A distribution under this provision would proportionately reduce the distributions made to the county unit and municipalities. The fiscal impact would depend on local action.

**State Agencies Affected:**

**Local Agencies Affected:** Counties; Municipalities; Fire departments and EMS providers.

**Information Sources:** State Budget Agency Reports of Certified Distributions, July 30, 2010 (COIT) and November 24, 2010 (CAGIT), <http://www.in.gov/sba/2363.htm>.

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